(c) Price of crude oil Dubai and Brent (Dated) during May 2002 has been around US $ 26 per barrel. Higher prices of crude oil in the international market would have a corresponding increase in the value of the crude oil imported by the country.

Erosion in IOCs profitability

5062. SHRIPARMESHWAR KUMAR AGARWALLA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Indian Oil Corporation (IOC) bagged 33.38 per cent stake in IBP for Rs. 1153.68 crores;

(b) if so, the factors which weighed for IOC to pay such a massive amount to bag 33.58 per cent shares of IBP;

(c) whether IOC wanted to keep aspiring entrants such as Shell and Reliance Petroleum out of petroleum retailing sector;

(d) if so, the details thereof;

(e) whether such a takeover would erode IOC's annual profitability by Rs. 49 crores;

(f) if so, the details thereof;

(g) whether Government have forced IOC to cough up that high a sum for claiming IBP; and

(h) if so, the reasons therefor?

THE MINISTER OF STATE INTHE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI SANTOSH GANGWAR): (a) Yes, Sir.

(b) The valuation of IBP by IOC was based on discounted cash flow analysis, replacement cost analysis and comparable multiples besides the strategic premium on the fair value of IBP shares to consolidate gains under competitive market conditions.

(c) No, Sir.

(d) Does not arise.

(e) and (g) No, Sir.

(f) and (h) Do not arise.